

MUNICIPAL REVIEW COMMITTEE, INC.

BOARD OF DIRECTORS

A meeting of the Board of Directors of Municipal Review Committee, Inc. was held on Wednesday, January 27, 2021 at 10:00 a.m. in an online format via Zoom. In attendance were the following:

Directors:

Sophie Wilson, Town of Orono
Karen Fussell, City of Brewer
Kevin Howell, Town of Carmel
Tony Smith, Town of Mount Desert

Dana Wrigley, Sr., Town of Oakland
Robert Butler, Town of Waldoboro
Catherine Conlow, City of Bangor
Melissa Doane, Town of Bradley

Staff:

Michael Carroll, MRC Executive Director

Consultants:

George Aronson, CRMC
Jon Pottle, Eaton Peabody

Joelle Ingalls kept the minutes of the meeting and President Fussell presided.

President Fussell convened the meeting at 10:01 a.m.

APPROVAL OF AGENDA

The first order of business to come before the Board was approval of the agenda. The agenda was accepted as presented with no changes.

CONSIDERATION OF MINUTES OF SPECIAL MEETINGS OF THE BOARD OF DIRECTORS ON OCTOBER 14, 2020, NOVEMBER 17 AND 24, 2020, DECEMBER 7, 14 AND 29, 2020; THE QUARTERLY MEETING OCTOBER 21, 2020; AND THE ANNUAL MEETING DECEMBER 16, 2020

The next order of business to come before the Board was approval of the minutes of Special Meetings on October 14, 2020, November 17 and 24, 2020, December 7, 14, and 29,

2020; the Quarterly Meeting October 21, 2020; and the Annual Meeting December 16, 2020.

There being no changes to the draft minutes as presented, upon motion duly made and seconded, it was:

VOTED BY ROLL CALL: That the minutes of Special Meetings on October 14, 2020, November 17 and 24, 2020, December 7, 14, and 29, 2020; the Quarterly Meeting October 21, 2020; and the Annual Meeting December 16, 2020, hereby are approved in the form presented at the meeting.

The motion passed, with Melissa Doane abstaining from the vote as she was not on the Board at the time of the meetings and minutes being considered.

APPOINTMENT OF OFFICERS FOR 2021

The Board then reviewed the proposed slate of officers to serve on behalf of the MRC for the ensuing year. Nominations for President, Vice President, Treasurer and Clerk were made, following which, upon a motion made and duly seconded to approve the slate of officers nominated, it was unanimously:

VOTED BY ROLL CALL: That the following individuals are elected to the offices set forth opposite their respective names, each to serve in that capacity until his/her successor has been duly elected and qualified or until his/her earlier resignation or removal from office:

President:	Karen Fussell
Vice President:	Tony Smith
Treasurer:	Sophie Wilson
Clerk:	Michael Carroll

2021 MRC COMMITTEE MEMBER APPOINTMENTS

The Board next reviewed interested individuals to serve on the Finance, Communication, and Waste Flow Committees, for the ensuing year. Following nominations for appointments, a motion was made and duly seconded to accept the nominees as presented whereupon it was unanimously:

VOTED BY ROLL CALL: That the 2021 MRC committee members hereby are appointed as follows:

Finance Committee:	Karen Fussell Robert Butler Sophie Wilson	Tony Smith Catherine Conlow
Communication Committee:	Karen Fussell Irene Belanger Dana Wrigley, Sr.	Melissa Doane Catherine Conlow
Waste Flow Committee:	Kevin Howell Tony Smith Dana Wrigley, Sr.	Melissa Doane Robert Butler

ASSET MANAGEMENT REPORT - CUSTODY ACCOUNT, TIP FEE & OPERATING BUDGET STABILIZATION FUNDS, CASH COLLATERAL ACCOUNT, RESERVE FUND UPDATE, THIRD QUARTER JOINING MEMBER CASH DISTRIBUTIONS

George Aronson presented the Asset Management Report, noting that December 31, 2020 was the end of the auditing period so all the numbers are subject to review, and proposed three recommendations:

1. To distribute \$149,421.48 to Joining Members to reduce their effective net disposal costs;
2. To transfer \$150,000.00 from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Custody Account to fund the distribution referenced in Item 1 above; and
3. Transfer \$90,000.00 from the Tip Fee Stabilization Fund to the Operating Budget Stabilization Fund to meet cash flow needs in the upcoming quarter related to payment of disposal fees for bypassed waste from Joining Members in advance of collection of the corresponding tip fee payments.

As of January 1, 2021, the Custody Account balance included \$68,645.20 held at First National Bank and \$233.07 held at Bangor Savings Bank pending transfer to First National Bank. Mr. Aronson noted that the Custody Account was used during the quarter to fund

distributions to members as well as expenses related to securing the Facility's condition and ongoing compliance with environmental permits and licenses. As of the same date, the balance of the Tip Fee Stabilization Fund was \$5,539,873.23, and the balance of the Operating Budget Stabilization Account was \$368,794.83. The Cash Collateral Agency Account now holds a balance of \$1,533,958.03.

Mr. Aronson noted that all of the MRC's obligations are being satisfied and the unrestricted fund balance in the Tip Fee Stabilization Fund and Custody Account (excluding the Minimum Balance requirement of \$4.0 million) totals \$4,733,751.50.

Sophie Wilson raised concern regarding a payment made last quarter to Bangor, Brewer, Hampden and Orono, in the amount of \$43,799.30, for loss of Commercial Waste. Cathy Conlow seconded the concern and it was decided the issue will be raised with the Waste Flow Committee for further discussion.

There being no further discussion, upon motion made and duly seconded, it was unanimously:

VOTED BY ROLL CALL: That (i) the MRC hereby is authorized and directed to distribute the amount of \$149,421.48 ratably to Joining Members to reduce their effective net disposal costs; transfer \$150,000.00 from the Target Value Reserve Fund (held within the Tip Fee Stabilization Fund) to the Custody Account to fund the distribution in the first recommendation; transfer \$90,000.00 from the Tip Fee Stabilization Fund to the Operating Budget Stabilization Fund to meet cash flow needs in the upcoming quarter related to payment of disposal fees for bypassed waste from Joining Members in advance of collection of the corresponding tip fee payments; and (ii) the Executive Director and Treasurer hereby are authorized to take such action, or cause such action to be taken, as may be necessary or appropriate to effectuate such transfers and payments.

**TREASURER'S REPORT INCLUDING CONSIDERATION OF
THE FINANCIAL STATEMENTS AND CURRENT BILLS PAYABLE**

Sophie Wilson presented bills payable totaling \$62,080.88 to the Board for consideration. Ms. Wilson reported the Finance Committee met last week and reconciled the 2020 numbers. Expenses in 2020 were approximately \$150,000.00 over budget, which was not unexpected. An audit is expected to be completed in early second quarter. Ms. Wilson reports 2021 financial reports were received yesterday through January 26, and she also noted approximately \$20,000.00 has been spent thus far in 2021, including such expenses as lease payments, general liability insurance, and wages. There being no further discussion, and upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That bills payable of \$68,080.88 as presented to the Board at this meeting hereby are approved for payment.

**REVIEW OF EXTENSION LETTER RE: INTEGRAL CAPABILITIES FOR
PERFORMANCE TEST PROTOCOL**

Attorney Jonathan Pottle noted the performance test for the CRM facility included conditions regarding the integral capabilities for the performance test protocol that were initially required to be addressed by December 31, 2019. This deadline has been extended five times and, due to the current bypass scenario, a further extension is recommended. Attorney Pottle proposed an extension to April 30, 2021, with the understanding that the MRC may choose to terminate the extension with notice consistent with the most recent extension. Attorney Pottle noted that conditions regarding the integral capabilities of the performance test protocol related to key agreements with the CRM facility that, if triggered, can result in termination of agreements if not fulfilled.

Robert Butler requested clarification of when there will no longer be a need to extend. Michael Carroll advised that the new owner of the plant will need to implement improvements once the plant resumes operation in order to meet the standards. Presently, there is no specific

time frame for completion of these improvements. After discussion, and upon motion duly made and seconded, it was unanimously:

VOTED BY ROLL CALL: That the Executive Director is hereby authorized to execute and deliver an additional extension letter regarding integral capabilities for the Performance Test Protocol, to be further extended to April 30, 2021 with provisions for MRC to terminate the extension with ten business days' notice.

EXECUTIVE DIRECTOR REPORT

Mr. Carroll reported the prospective buyer of the facility, Delta Thermo Energy (DTE) was introduced during the Town Hall last week and provided a presentation to those in attendance. Mr. Carroll noted DTE is currently conducting due diligence investigations, and this process is nearing completion as the stakeholders move forward in the sale process.

Mr. Carroll also provided the following information in his report: Processed waste from members in 2020 totaled just over 107,625 tons, a slight increase over the 106,930 tons processed in 2019. Beginning on January 1, 2021 the new Consumer Price Index (CPI) went into effect, and the new rate was reflected on the last three invoices of December as \$72.28 per ton for joining members and \$74.49 per ton for non-joining members. The winterization of the facility is 100% complete, and a new occupancy permit has been obtained from the Town of Hampden.

Mr. Carroll reported he recently met with the Bangor City Council, and a two minute presentation is scheduled in front of the Energy and Natural Resources Committee next month to provide a brief status update. To complete his report, Mr. Carroll reported he received a letter of engagement for the current Legislative Council serving the MRC and chose not to re-engage with them for services in 2021. The cost of this service was previously split between the MRC

and Coastal Resource Management. With the closing expected within the next 60 days, Mr. Carroll reported future engagement will be discussed with the new owner of the facility.

ADOPTION OF 2021 MRC OPERATING BUDGET

Sophie Wilson presented the 2021 MRC Operating Budget. She advised that the draft budget presented at the Annual Meeting was further evaluated by the Finance Committee after requesting clarification and more details. The budget presented today is the approved version after much discussion and consideration by the Finance Committee and reflects a \$48,668.00 increase over last year.

In consideration of the Executive Director's Report, regarding the non-engagement with the current Legislative Council, Ms. Wilson requested consideration of a further amendment to the proposed budget moving the \$25,000 allocated for Legislative Advocacy to Contingency. Ms. Wilson proposed a Request for Proposals be drafted after March 31, 2021 based on the identified needs at that time. President Fussell concurred and the amendment was noted for consideration by the Board.

Ms. Wilson reported the 2021 budget was created with the understanding that the MRC will receive repayment of the Bridge Loan and reimbursement of certain expenses relating to the stabilization and winterization of the facility. Specifically noted was an increase in postage as the MRC continues to invoice members directly and has increased communications and mailings to members and rent payments, which are expected to resume on April 1, 2021. Ms. Wilson reported Mr. Carroll has discussed with vendors the anticipated changes to the level of service needed in the coming year and these change in expenses have been factored into the budget.

A general discussion ensued regarding the 2020 budget and calculations of profit and loss if there had not been a shutdown of operations. Robert Butler observed that the budget being presented for consideration today is conservative and well done.

There being no further discussion, upon motion duly made and seconded, it was unanimously:

VOTED: That the 2021 MRC Operating Budget as presented to the Board, and further amended to move \$25,000 from Legislative Advocacy to Contingency, hereby is adopted.

COMMITTEE REPORTS

Mr. Carroll reported the Communications Committee is the only committee with any update to report. Four Town Hall Meetings were conducted and 71 constant contacts were sent out in 2020. Mr. Carroll also reported the Newsletter continues to be produced. The Legislative Committee will await direction as the facility moves toward operation under the new owner, and the Waste Flow Committee will review the previously mentioned questions raised by Sophie Wilson and Catherine Conlow.

SCHEDULE OF UPCOMING MEETING DATES

The next quarterly Board Meeting is scheduled for April 28, 2021 at 10 a.m. via Zoom.

Sophie Wilson proposed that the Board consider scheduling all quarterly Board Meetings in 2021 to be held via Zoom. Michael Carroll will add this consideration to the Agenda for the upcoming meeting in April.

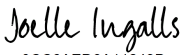
PUBLIC COMMENT

President Fussell advised several questions were received via the Q&A function. In response to a question regarding the proposed processing of sewage sludge in DTE's presentation during the Town Hall Meeting, Michael Carroll advised that a restart of the CRM

facility operations will be as previously conducted and that any new operations or processing would likely require new permitting. In answer to a question regarding the revocation of permits for DTE in Allentown, PA, George Aronson advised the MRC conducted full due diligence into DTE and is aware of news reports regarding DTE and Allentown, PA. Finally, in response to a question regarding the joining of new members upon reopening of the facility, Michael Carroll advised this topic has been discussed with DTE, and they are open and responsive to the addition of new members.

There being no further business, at 11:08 a.m. a motion was made, duly seconded, and approved to adjourn the meeting.

Respectively submitted,

DocuSigned by:

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Joelle A. Ingalls

Dated: 4/28/2021
